ATTACHMENT 6

Iraq's National Reconciliation and Dialogue Project

Zalmay Khalilzad, U.S. Ambassador to Iraq

Baghdad, Iraq
June 25, 2006

I'd like to make a brief statement, after which I will be happy to answer your questions.

Now that Iraq has a democratically elected permanent government in place, the time has come for unity and reconciliation, for Iraqis to mend their nation's wounds. The National Reconciliation and Dialogue Project unveiled today before the Iraqi Council of Representatives by Prime Minister Nouri al-Maliki is a positive step in this vital effort. I congratulate him and other Iraqi leaders for this initiative, and assure them of U.S. support. We will work together to help Iraq stand on its own feet as soon as possible.

This reconciliation project is part of an active agenda put forward by Prime Minister Maliki's government. Previous steps in this agenda have included the Baghdad Security Plan, the Summer Electricity Plan, and the Detainee Release Program. I understand from the Prime Minister that future initiatives in this active agenda will include a comprehensive economic program and an international compact for Iraq's reconstruction.

Iraqis have worked together on this reconciliation initiative, which has the support of all of Iraq's major communities. I urge the Iraqi leaders to move expeditiously in implementing this project. The leaders of Iraq's various communities should truly be leaders to their people, and begin to take responsibility for bringing sectarian violence to an end. I urge the insurgents to lay down their arms and join the democratic process initiated by their fellow Iraqis. I urge the Council of Representatives to move on the reconsideration of the de-Ba'athification Commission.

Certain actors, including some of Iraq's neighbors, have sought to foment division in Iraq by supporting extremists. The National Reconciliation and Dialogue Project is a refutation of these policies. I call on all these countries to reconsider their unhelpful policies.

As Prime Minister Maliki has noted, national reconciliation does not mean that all Iraqis must agree on how best to resolve the myriad challenges they face as they seek to build a stable and secure Iraq. However, these disagreements must be expressed through dialogue rather than through violence. The time has come for Iraqis to resolve their disputes through the political process and the rule of law rather than at the point of a gun.

Thank you, and May God bless the people of Iraq.

ATTACHMENT 7

washingtonpost.com

A Road Map Home

From Khalilzad, Realism on the Iraqi Insurgency

By David Ignatius
Wednesday, June 28, 2006; A25

"Every war must end," says Zalmay Khalilzad, America's ambassador to Baghdad. And while termination of the brutal conflict in Iraq is hard to imagine right now, top U.S. officials are sketching a road map to begin stabilizing the conflict and withdrawing American troops.

Khalilzad outlined the Bush administration's current thinking about Iraq in a telephone interview from Baghdad on Monday. The items on his agenda include a joint U.S.-Iraqi committee to discuss the details for a gradual withdrawal of American troops over the next several years, a conditional amnesty for Iraqi insurgents as part of a broader reconciliation effort, and negotiations with insurgent groups about terms and conditions for ending the fighting.

What was clear in Khalilzad's comments (but is rarely so in the partisan Washington debate about Iraq) is how badly the Bush administration wants to find a way out of the Iraq morass. Last week was an example of this disconnect, with Republican legislators blasting Democrats for advocating phased troop withdrawals, even as Gen. George Casey, the U.S. military commander in Iraq, was quietly discussing just such a withdrawal timetable at the Pentagon. As is usually the case with Iraq, the Baghdad version of what's going on is far more useful than the Washington version, so it's worth paying careful attention to Khalilzad's account.

Reconciliation sounds fine in principle, but in practice it can be agonizing. I asked Khalilzad how he would answer members of Congress who are indignant that insurgents who opposed the U.S. occupation might be pardoned by the Iraqi government. "They need to understand that we want this conflict to end," he said, and stressed that Iraqi and American hopes of reducing U.S. forces can be achieved only if the insurgents agree to stop fighting and recognize the Iraqi government's authority. "The biggest thing we can do to honor those who sacrificed here is to achieve the cause they fought for" by creating a peaceful and democratic Iraq, he said.

"Ending a war is as difficult as fighting a war," Khalilzad went on. He noted that many conflicts in American history have ended with a general or partial amnesty -- from the Whiskey Rebellion to the Civil War to the U.S. Army's battle against insurgents in the Philippines. "To end a war, you must balance the requirements of reconciliation with the requirements of justice," he explained. Iraqi Prime Minister Nouri al-Maliki seemed to be trying to strike such a balance yesterday when he said any amnesty shouldn't apply to insurgents who had actually killed Americans or Iraqis.

A key part of the Bush administration's strategy is to involve Maliki's government in discussions about withdrawal of U.S. troops. Gen. Casey briefed the Pentagon last week on his hopes to cut the number of U.S. combat brigades in Iraq by more than half by the end of 2007, according to a story in Sunday's New York Times. Casey will soon meet with Maliki to form the joint U.S.-Iraqi committee that can oversee the buildup of Iraqi security forces and the corresponding drawdown of U.S. troops.

"When we establish that committee," Khalilzad explained, "the subject will be the withdrawal of U.S. forces, and the conditions related to a road map for an ultimate withdrawal of U.S. troops." He stressed, however, that there was no automatic timetable for withdrawal and that he expected Maliki "will be on the cautious side."

The political-military strategy embraced by Khalilzad and Casey over the past year has combined aggressive military operations against die-hard insurgent groups with outreach to elements of the Sunni insurgency that (in theory) can be co-opted. After killing the worst of the worst, Abu Musab al-Zarqawi, U.S. and Iraqi forces have pushed hard on both fronts -- taking down Zarqawi's networks and simultaneously talking with Sunni groups. Khalilzad said Monday that this outreach effort had made significant progress in the past few days.

"Contacts have been made with the Iraqi government and the coalition, by people who say they are associated with the insurgency, about reaching an agreement," he said. Among the issues under discussion, he said, is whether some of the Sunni insurgent groups can be melded into the Iraqi security forces, as is being done with Shiite and Kurdish militias. "I would not rule it out," Khalilzad said.

Listening to America's ultra-realist ambassador, it's obvious that the buzzwords of the Washington political debate -- "cut and run," "troops out now" -- don't have much relevance for what the generals and diplomats are trying to achieve. This messy war won't end with a victory parade but with a process that is messy itself -- slow, precarious, ambiguous. But the alternative is an open-ended U.S. military occupation of Iraq that nobody wants. As Khalilzad put it: "If you don't want reconciliation, it means you must fight on."

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ATTACHMENT 8

THE SABAN CENTER
for MIDDLE EAST POLICY
at THE BROOKINGS INSTITUTION

ANALYSIS PAPER
Number 7, February 2006

A SWITCH IN TIME

A NEW STRATEGY FOR AMERICA IN IRAQ

KENNETH M. POLLACK
AND THE IRAQ POLICY WORKING GROUP OF
THE SABAN CENTER FOR MIDDLE EAST POLICY
AT THE BROOKINGS INSTITUTION

FEBRUARY 2006

THE AUTHOR

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Executive Summary

The reconstruction of Iraq is not doomed to fail, but the Bush Administration does not yet have a strategy that is likely to succeed. The progress made so far is an insufficient basis for a durable solution to Iraq's problems. Many of the positive developments are fragile or superficial, and conceal deeper underlying problems that could easily re-emerge. U.S. policy often focuses on the wrong problems and employs the wrong solutions. The most basic flaw stems from April 2003 when the fall of Saddam Hussein created a security vacuum in Iraq that the United States has never properly filled. This security vacuum has given rise to two separate but related problems:

- An insurgency, based principally in the Sunni tribal community of western Iraq; and,
- A failed state, in which the governmental architecture has essentially collapsed and has not yet been effectively replaced by new, capable military and political institutions.

The United States has devoted considerable energy and resources to fighting the insurgency, but it has consistently employed the wrong strategy. However, more damaging has been the consistent failure to rebuild Iraq's failed state. *Until the United States succeeds in helping the Iraqis build strong, new political and military institutions, a massive commitment of external military forces and economic assistance will continue to be necessary to forestall a civil war.*

Time is already working against the United States. The many disappointments of reconstruction are increasingly eroding Iraqi popular support, prompting a growing number of Iraqis to cast their lot with insurgent or militia groups who offer them immediate relief, even if most Iraqis understand that this is an extremely dangerous path. Until now, the promise of a new government just around the corner has kept Iraqis from defecting in large numbers. But the installation in 2006 of Iraq's new "permanent" government—the fifth since Saddam's fall—means that it will be four years before Iraqis can shift their hopes to a new horizon. It is therefore essential that this government not disappoint Iraqis as its predecessors have.

The United States must therefore approach 2006 as a make-or-break year in Iraq. Either the new Iraqi government with U.S. backing starts to fix Iraq's problems or continued failure will propel Iraqis into the arms of the militias, likely generating a full-blown civil war. However, the situation is not yet hopeless because so many Iraqis still fear that turning away from reconstruction will mean civil war. If the U.S. and Iraqi governments can begin to produce positive results, they can still win the hearts and minds of most Iraqis.

Security and Military Operations

Security is the most important prerequisite for the reconstruction of Iraq. Although there is no guarantee that reconstruction will succeed with adequate security, it is guaranteed to fail without it. *The key flaw in U.S. military strategy in Iraq has been its inability to provide basic safety for Iraqis. Providing that safety, not chasing insurgents, must be the new priority of U.S. policy.*

Adopt a traditional counterinsurgency strategy. To improve the chances of providing adequate levels of security for reconstruction in Iraq, the United States should adopt a traditional counterinsurgency (COIN) strategy which will, by its very nature, address the dual needs of defeating the insurgency and building a viable state. *The key requirement of COIN is to achieve a ratio of about 20 security personnel per thousand of the population.* For the 22 million Iraqis living outside of Kurdistan, that would require about 450,000 security personnel—well beyond current U.S. and Iraqi capabilities. However, traditional counterinsurgency strategy initially focuses on creating such a favorable ratio only in those parts of the country that are both the most important and the most supportive of reconstruction. These locations become secured enclaves and, with economic resources pouring in, emerge as successful models of reconstruction. They then provide the base from which reconstruction can slowly expand across the country as more security forces become available. These areas are like an "oil stain" or "ink spot" that gradually spreads throughout the country, pacifying and rebuilding those areas that it touches.

Such a strategy in Iraq would begin by reducing the resources devoted to stamping out the insurgency in western Iraq. These would be shifted to securing the critical enclaves of Kurdistan, Baghdad, much of southeastern Iraq, and a number of other major urban centers, along with the oilfields and some other vital economic facilities. The concentrated security focus and development effort should ensure meaningful local economic and political progress. In turn, public opinion within the secured enclaves would likely solidify in favor of reconstruction, while Iraqis outside the secured enclaves would see that the government can offer a better alternative than the militias and insurgents. The United States would train additional Iraqi forces within the permissive environment of the enclaves to allow them to build unit cohesion, trust, and command relationships.

For this counterinsurgency strategy to work, the United States will need to:

- *Make protecting the Iraqi people and civilian infrastructure its highest priority, training Iraqi security forces a close second, and hunting insurgents a distant third.* The single most important mission of counterinsurgency forces is to provide basic safety for the population so that it no longer lives in fear.

- *Shift the strategic emphasis from offensive to defensive military operations, but go on the offensive in the political and economic realms.* Military offensives should only be mounted as immediate counterattacks for insurgent actions or when intelligence has clearly identified a high-value target.

- *Focus on reducing the influence of militias and organized crime in central and southern Iraq, which cripples economic development and threatens civil war.* The militias established themselves there because the United States never properly filled the post-Saddam security vacuum. The only way to reverse this trend is to fill the security vacuum by deploying significant Iraqi and Coalition forces into these regions.

- *Create a unified command structure fully integrating civilian and military operations.* Only a fully-integrated approach is likely to produce success. The United States and the Iraqi government must create a hierarchy of joint committees to integrate military, political, and economic decision-making both horizontally and vertically. These committees should consist of all key players in reconstruction and governance. The Bush Administration's nascent plan to deploy Provincial Reconstruction Teams (PRTs) in Iraq falls far short of what is needed because it will not erect a national integrated hierarchy.

The United States' newly-proclaimed "clear, hold and build" strategy also fails to meet these criteria. In particular, it is being implemented in the wrong part of the country—western Iraq—thereby drawing off forces from central and southern Iraq where popular support for reconstruction is highest but is souring because of insecurity. Consequently, these critical parts of the country are falling under the control of

vicious sectarian militias which could fragment the country and drive it into civil war.

Adopt more appropriate tactics. The change in U.S. strategy must be accompanied by changes at tactical level. Two examples of the many changes to tactical conduct that this report advocates are:

- *De-emphasize detainee counts.* The military has replaced the Vietnam metric of the body count with a new and equally counterproductive metric in Iraq, the detainee count.

- *To facilitate population control, conduct a nationwide census and create a biometric identification card system.* A nationwide census would help identify insurgents and their supporters, and a biometric ID card would make it extremely difficult for insurgents to hide their identities, obviating their ability to mingle freely with the population.

Organizational and personnel changes. This report recommends a great many changes to the personnel, organizational and structural policies that the U.S. military has pursued in Iraq. One example is that all U.S. Army and Marine battalions should be "paired up," with one of the pair always in Iraq in the same area of responsibility (AOR) and the other at home, resting and training for the next rotation. The two would continue to swap for as long as the U.S. deployment lasts. Officers would be able regularly to exchange information and provide each other with lessons learned. The intelligence sections of the paired battalions would function as "rear" and "forward" elements. "Pairing up" is the best way to deal with the problems of turnover, loss of institutional memory, and the need for frequent rotations to deal with "burnout."

A better integrated reconstruction effort. Another important failing of the U.S. effort in Iraq has been the dearth of civilian personnel from key agencies: USAID, CIA, the Departments of State, Energy, Agriculture, and others. Very few of Iraq's 18 provinces have more than a half-dozen American civilian government personnel working in them. State and USAID must commit far greater numbers of personnel—particularly those with Arabic and knowledge of the Arab world—to the reconstruction of Iraq, even if this means reducing the manning of posts elsewhere. Far more personnel need to be assigned to missions outside the Green Zone in Baghdad.

Training the Iraqi armed forces. The training of Iraqi security forces is progressing better than ever before, but there is still a long way to go before they will be able to shoulder the burden of providing security in Iraq alone. Political pressure to quickly produce more trained Iraqi units to replace U.S. soldiers is the overarching problem that has plagued U.S. efforts. The only way to generate Iraqi troops sufficiently capable of shouldering the burden of securing their country is to give them the time in both formal and informal training to develop.

At this point, roughly 40,000–60,000 Iraqi security force personnel appear capable of contributing in some meaningful way to COIN and stability operations in Iraq. Although far short of the number necessary to secure the country without U.S. military forces, this represents a considerable increase over the past year, and suggests that Iraqi forces should be able to pick up more of the security burden in coming years. However, before this can happen, the United States must address three key problems:

- U.S. military personnel will need to place greater emphasis on the selection and training of Iraqi military officers, especially at tactical levels.

- The U.S. and Iraqi high commands need to make a greater effort to create integrated Iraqi security formations.

- The U.S. will have to make rebuilding Iraq's military support infrastructure a higher priority if the Iraqi armed forces are to take over full responsibility for securing the country.

Building a New Iraqi Political System

The United States will need to help develop a new political system that will secure the trust of Iraqis by persuading them that there are effective, non-violent means to address their problems; that others will not use violence against them; that they will have equal opportunities; and that the state has institutions capable of addressing their needs.

The new Iraqi government's legitimacy will depend on whether it can improve the lives of its people through providing higher employment, more constant electricity, more readily available clean water and gasoline, and the security that underpins all of these necessities.

There are four major problems afflicting the Iraqi body politic:

- Iraq is now a deeply divided society and those divisions are creating animosity, fueling the violence, and preventing the efficient functioning of the Iraqi government.
- Iraq's central government is now fully-constituted but essentially powerless.
- Iraq's political parties have only tenuous connections to the Iraqi people and mostly limit their interaction with their nominal constituents.
- The United States, as the principal occupying power and the driving force behind reconstruction, lacks the personnel, capabilities, know-how, and even the necessary resources to rebuild the Iraqi nation.

Power sharing and national reconciliation. Like security, some form of national reconciliation compact, coupled with a new power-sharing arrangement, is a precondition for any progress in Iraq. The greatest obstacle to national reconciliation is the fact that many Sunni Arabs feel alienated from the political reconstruction process by the Shi'ah, the Americans, and, to a lesser extent, the Kurds. Regardless of these grievances, the Sunnis will still have to make some major concessions. In particular they will need to accept that their share of Iraq's resources will be strictly proportionate to their numbers. The Shi'ah and Kurds will need to reciprocate this and other Sunni concessions by:

- Revising the de-Ba'thification program and establishing a formal truth and reconciliation process.
- Reintegrating Sunnis into the armed forces and civil service.
- Providing greater protection for minorities.
- Revising electoral laws to prevent sectarian chauvinists from running.
- Providing Sunni tribal shaykhs with resources if they stop attacking roads, power lines, oil pipelines, and Coalition forces in their territory, and prevent other groups from doing the same.

Another key goal for the United States is to rein in the Shi'ah. Since the fall of Saddam, there has been an alarming tendency by some Shi'i leaders to overreach. Some now talk about splitting off all of southeastern Iraq to form an autonomous region, much like Iraqi Kurdistan, keeping the revenues from the southern oil fields for themselves. They expect the Kurds will do the same in the north, leaving no oil revenues for the Sunnis. This would be a disastrous development for Iraq as it likely would spark civil wars both within the Shi'i community and between the Shi'ah and Sunni Arabs.

Since the fall of Baghdad, Kurdish political leaders have been the most willing to argue for actions that are in the best interests of Iraq, while jealously guarding Kurdistan's prerogatives. As long as they do not push a maximalist agenda of immediate secession, full ownership of all revenues from the northern oilfields, or an arbitrary solution to competing property claims in Kirkuk, the *status quo* on issues related to them should not preclude solutions to Iraq's other political problems.

They will want something in return for concessions to the Sunni Arabs. The United States should offer them a more equitable slice of foreign aid so that they can demonstrate to their constituents that there are real benefits to remaining part of Iraq.

Decentralization. Iraq's ministries are crippled by corruption, undermanned, and remain tied to sclerotic bureaucratic practices inherited from the former regime. Accordingly, the United States and the new Iraqi government should begin moving toward a federal system in which the central government retains control of the armed forces, foreign policy, monetary policy and currency, national standards including regulation of the media, and regulation of the oil sector (but not oil income distribution). Most other powers should devolve to local governments. This report suggests a range of actions that could assist the process of decentralization, the most important of which are:

- Funds from foreign aid and oil revenues should be provided directly to local governments.
- Control of Iraq's police should be transferred from the Ministry of the Interior to local officials.

A new oil-revenue distribution system. The success or failure of political reconstruction in Iraq probably hinges on establishing a fixed and equitable system for the distribution of its oil revenues. Without such a plan, it is impossible to imagine real national reconciliation because all the parties will continue to fight over the spoils, distracting officials and technocrats from the job of running the country, let alone rebuilding it. Moreover, a fixed distribution plan is necessary to ensure that all the revenues do not go into central government coffers as pure discretionary funding because this breeds rampant corruption and concentrates financial power in the hands of the federal government.

However, it is critical that Iraq's oil-revenue distribution system consist of multiple "baskets" into which the oil revenues would be deposited. This report proposes five separate baskets:

- Basket 1: Federal government funding for national security, foreign affairs, monetary policy and other central government functions.
- Basket 2: Infrastructure development.
- Basket 3: Distribution directly to local governments based on the population in their municipalities.
- Basket 4: An additional pool of revenue divided among the provinces on an annual basis by the Council of Representatives (Iraq's parliament), giving the average Iraqi a tangible interest in the performance of his or her national representatives who would have to fight for as much of this basket for their constituents as possible.
- Basket 5: Direct funding to the Iraqi people. Money from oil revenues should be deposited in individual bank accounts for every Iraqi, earmarked for specific purposes—education, retirement, healthcare, etc., to give Iraqis a direct stake in opposing organized crime and the insurgents who steal the oil and destroy oil industry infrastructure.

Building central government capacity by tackling corruption. Corruption is probably the single greatest factor inhibiting the creation of credible Iraqi political institutions. Like the problem of insecurity, with which it is intertwined, corruption undermines nearly every aspect of reconstruction. This report details over 40 different prescriptions that the United States and the government of Iraq should adopt to fight corruption, including:

- Reducing the monetary size of individual aid and reconstruction contracts.
- Creating an independent NGO responsible for issuing annual "report cards" on the Iraqi fiscal and monetary systems.
- Establishing a special court for cases of corruption to be presided over by a panel of judges, including at least one foreign judge to ensure impartiality.

- Changing Iraqi perceptions of corruption by educating the Iraqi media so that they are better able to expose corruption.

Reforming the Iraqi political process. The early U.S. decision to allow a group of exiles and Shi'i chauvinists to determine the shape of Iraq's democratic process has resulted in a political structure that is exacerbating many of the problems plaguing the country and could eventually prove disastrous. Iraq's electoral system is based on proportional representation which hinders the emergence of many key features of democracy because it forces Iraqis to vote for party slates. All party leaders have a vested interest in maintaining this system because it rewards party loyalty and favors weak national parties over strong individual candidates. But the result is that the parties currently in power do not adequately represent the aspirations of the Iraqi people, their electoral victories notwithstanding. And the party leaders have few incentives to make the kinds of compromises necessary either to achieve national reconciliation or to address the needs of the people. Instead, they have every incentive to pocket as much public wealth as they can while they remain in office.

It would be preferable for Iraq to move to a version of direct geographic representation, as used in Great Britain and the United States, because this would encourage parliamentary compromise and national reconciliation, and force legislators to pay close attention to the needs of their constituents. Candidates from districts representing mixed populations would have a strong incentive to find solutions that would secure them support across sectarian lines. Of course, the current parties will be reluctant to give up the current system. *One solution could be to encourage Iraq to adopt a hybrid system like Germany's, with half of the seats in the Council of Representatives being decided by proportional representation and the other half by geographic direct election.*

Even without such a major overhaul of Iraq's current electoral system, there are many changes that could be adopted to reduce sectarianism, make Iraqi political leaders more conscientious about securing the needs of their constituents, and moderating extremists. One example of the ideas presented in this report would be to make it mandatory by the 2009 or 2013 elections for candidates for the Council of Representatives to have served on either a local or provincial council. If each member of the Council of Representatives has first to serve on local and provincial councils it forces the political parties to pay attention to elections for these lesser assemblies.

Increasing international assistance. Now that the December 2005 elections have ushered in a permanent government, the United States should try to hand over some of the burden of guiding Iraq's reconstruction to an international body. It would be better for the United Nations or some other international actor to take the lead in prodding the Iraqis. *Moreover, the United Nations, through its various agencies, can call upon a vast network of personnel and resources vital to various aspects of nation-building.* But securing greater international assistance from NGOs, the United Nations, and other nations will largely depend on two factors:

- The willingness of the United States to allow the United Nations and foreign countries to play a leadership role—particularly on the political and economic tracks—in the reconstruction of Iraq.

- The willingness of the United States to adopt a true counterinsurgency strategy that would make key sectors of the country safe enough for civilians to perform their missions. Only by creating safe zones in Iraq can the United States hope to entice large numbers of foreigners back.

Assisting Iraq's Economic Development

Meaningful progress in improving Iraq's economy depends on commensurate improvements in Iraq's security and political fortunes. While the Iraqi economy is not doing well, it is not listless either. Foreign aid continues to flow into Iraq. Although far too much of

Iraq's oil money is siphoned out of the country in the form of graft, much still remains—even if that too is tainted by corruption. The influx of money and the U.S. decision to lift all import duties after the fall of Baghdad, has brought in a flood of foreign consumer goods. So much foreign aid was earmarked for infrastructure repair that Iraq's construction industry boomed. This has taken some of the edge off unemployment while putting money into the hands of Iraq's working classes. Nevertheless, all of these advances tend to be fragile: the influx of foreign aid and cheap imports will not last forever. Iraq's manufacturing, agricultural, and service economies are moribund, crippled by a lack of investment, excessive corruption and inefficient management.

The United States and the new government of Iraq have two economic challenges ahead of them:

- The pressing need to provide more tangible benefits to the Iraqi people within the next 6–12 months, as Iraqis assess whether this new government will be any different from its predecessors.

- The need to help Iraq deal with its various structural problems so that the Iraqi economy can eventually operate under its own steam and provide for the Iraqi people without prodigious external assistance.

There is tension between these short-term and long-term requirements. It is therefore critical that the United States and the new government of Iraq set clear priorities for economic policy for the next year. Immediate growth is needed in the sectors that are most important to the short-term well-being of average Iraqis. In all other areas of the Iraqi economy, the emphasis should be on long-term structural reform.

Short-term efforts. Those issues in the Iraqi economy targeted for short-term improvement should be those that Iraqis have identified as of greatest concern to them—employment, electricity, oil production and export, corruption, agriculture, decentralization, banking and investment, and foreign aid projects.

Lack of jobs is one of the greatest complaints of Iraqis. However, this is one area where short and long-term needs run at cross purposes. Nearly three years into the reconstruction effort, Iraq should be moving away from aid programs that fund what are often nothing more than make-work projects concentrated in construction and infrastructure repair. Iraq needs to be shifting its emphasis to more economically viable and productive methods of employing its work force. However, because progress in Iraq's economy has largely been limited to just a few sectors, jobs do not yet exist in the economy to absorb large numbers of Iraqis if these make-work programs are ended. *Thus, despite their inefficiencies, the United States must maintain adequate levels of funding for current Iraqi construction projects and other programs that generate large numbers of jobs.*

The revival of Iraq's agricultural sector, critical to the economic reconstruction of Iraq, has been badly neglected. Iraq has some of the most fertile land in the Middle East and was at times a net exporter of agricultural products. Enhanced agricultural production could help diversify Iraq's economy away from its current dependence on oil. Moreover, agriculture is far more labor-intensive than oil, making it an excellent way of curbing unemployment. This report advocates a number of steps for the revitalization of Iraq's agricultural sector such as ensuring that the Iraqi government stops importing food for its ration basket and devolves to local governments control over contracting and administration of agricultural programs.

Electricity blackouts are a constant complaint of Iraqis. Immediately after Saddam's fall, Iraqis ran out to buy every type of household appliance imaginable. As a result, demand for electricity to run these items quickly outpaced every Coalition effort to repair and expand the capacity of Iraq's electricity generation and distribution sector. Thus, while the United States and other foreign donors must continue to increase generating capacity (and the grid's ability to import electricity from neighboring countries), it is equally important that the Iraqi government move to curb

demand by installing meters in every Iraqi home and business while ending electricity subsidies.

The longer term. The United States will also have to ensure that Iraqi economic growth is sustainable over the long-term. Iraq's economy remains hobbled by costly subsidies dating to Saddam's era and before. The principal subsidies on food, gasoline and electricity constitute 21 percent of the Iraqi government's budget. Imports of gasoline and other refined petroleum products—which are then sold at subsidized prices—cost the government another 10 percent of the budget. These subsidies negate and distort market forces. Because these are all "sacred cows," quickly eliminating them is probably impossible. Instead, these subsidies should be phased out over the next several years. In particular, most poor and middle class Iraqis remain dependent on rations provided by the government since the imposition of UN sanctions against Iraq in 1990. It will be impossible to do away with the food basket overnight and there are concerns about its monetization because of problems with corruption and violent crime. *Consequently, it might benefit Iraq to employ a system of food stamps for underprivileged Iraqis in the meantime.*

There is nothing more important to Iraq's long-term economic prosperity than improving the state of its educational system. The United States and the international community have already provided considerable assistance, largely in terms of building schools, raising the pay of teachers, providing revised textbooks, furnishing school supplies, and eliminating Saddam's worst flunkies from university positions. There is still a great deal more to be done. Iraq suffers from the same problems in education as other Arab states: there is little emphasis on interactive learning, rote memorization is employed in every subject (including the sciences); creativity tends to be stifled; there is an overemphasis on the humanities (including religion) at the expense of science and math; teachers are provided with few incentives to stimulate or engage with their pupils; and the entire process is rigidly prescribed by the central government. The result is that, like elsewhere in the Arab world, students graduate from the educational systems with few of the kinds of job skills needed to compete in the globalized economy. This report offers a number of suggestions regarding the revival of education in Iraq, including the funding of new programs to teach English, scholarships for Iraqi students to study in the United States, and the commissioning of a high-level and comprehensive study of Iraqi education by leading American educators.

The Importance of an Integrated Approach

One of the principal themes of this report is the essential need to integrate military, political and economic programs to foster reconstruction across the board. There are always bound to be successes and failures in an effort as grand as the reconstruction of Iraq. Proper integration, however, increases the prospects for success in one field which can help generate symbiotic achievements in others, creating a self-reinforcing process. Unfortunately, the opposite is also true.

ATTACHMENT 9

The New York Times
nytimes.com

June 28, 2006

U.S. General Says Iraqi Army Will Be Built by End of the Year

By THOM SHANKER

WASHINGTON, June 27 — The American general in charge of training Iraqi security forces said Tuesday that the new army would be formed and at full strength by the end of the year. But he cautioned that the new military in Iraq still faced a shortage of qualified officers and the infrastructure required to carry out independent operations.

The officer, Lt. Gen. Martin E. Dempsey, said the threat of armed militias could be resolved only by negotiations with religious leaders commanding those illegal groups, and by taking away their foot soldiers by offering them the choice of a role within government-controlled security services, an opportunity to disarm — or punishment.

And in a statement of battlefield realism rarely heard from a lecturn in Washington, General Dempsey said it was certain that a national reconciliation plan offered by the new Baghdad government would include amnesty for at least some who had engaged in insurgent acts.

"Isn't there some sense of inevitability about that?" General Dempsey said. But he quickly noted that Iraqi and United States officials would discuss in private how best to "establish the white lines" that would deny amnesty or pardon to those who had killed any Iraqis or troops from the American-led forces.

Political figures in Washington have loudly criticized members of Prime Minister Nuri Kamal al-Maliki's government for even considering an amnesty that would include insurgent fighters. In Baghdad on Tuesday, Mr. Maliki clarified his plans for amnesty, assuring that it would not be given to anyone who killed troops or Iraqi civilians.

General Dempsey said that without a national reconciliation plan that reaches out simultaneously to Sunni insurgents and Shiite militia members, neither side would disarm out of fear of the other.

The general's training efforts are the foundation of the Bush administration's plans for withdrawing troops as indigenous security forces grow in number and competence, and he spoke as Washington was boiling with debate over timetables for American troop reductions in Iraq.

"The Iraqi Army will be built by the end of this calendar year," General Dempsey declared at a Pentagon news conference.

General Dempsey said that by the end of the year, the army would be "fully capable of recruiting, vetting, inducting, training, forming into units, putting them in barracks, sending them out the gate to perform their missions."

But he expressed concerns about the ability of the Iraqi ministries to carry out military operations independent of American support, and about "leader development."

While military and police cadets "come out of a training base at a very high level of motivation," General Dempsey said, "we then turn them over to a police chief who maybe has bad habits from former times or a midgrade army officer who believes that leadership is an entitlement, not a responsibility."

ATTACHMENT 10

The New York Times
nytimes.com

January 13, 2006
Op-Ed Contributor

In Iraq, Wrongs Made a Right

By L. PAUL BREMER

THE recent debate set off by the publication of my book about my time in Iraq has shed more heat than light. Here are some of the fundamental lessons I took away from the American experience.

First, repairing the damage to Iraq by decades of tyranny was never going to be easy, and I made some mistakes.

For example, consider our efforts to ban senior Baath Party officials from public office. This was the proper decision - the party had been a key instrument of Saddam Hussein's dictatorship - and our policy was intended to affect only the top 1 percent or so of party members.

The error was that I left the implementation of the policy to a political body within the nascent Iraqi government, where it became a tool of politicians who applied it much more broadly than we had intended. De-Baathification should have been administered by an independent judicial body.

We also placed too much emphasis on large-scale reconstruction projects. While the urgent need for modern highways, electrical generating plants and the like was clear, we should have anticipated that building them would take a long time. Our earlier efforts should have been directed more tightly at meeting Iraqis' day-to-day needs.

To speed up those larger projects, I should have also insisted on exemption from the usual bureaucratic and contracting rules. This lesson was brought home to me in a dramatic fashion a few weeks after I arrived. We had learned that six major hospitals in Baghdad urgently needed new generators to run their operating rooms and air-conditioning plants. Our budget director told me I could use American funds, which were subject to United States federal contracting rules, or Iraqi government funds, which were not. Using American money, he told me, would mean waiting four to six months for the generators. We used Iraqi funds and got the equipment in eight days. In the future, Congress must make provisions for legitimate exemptions.

Another clear lesson is that the United States must be better prepared for the post-conflict phase should we find ourselves in similar military situations in the future. The administration has made a good start by setting up offices of reconstruction in the State and Defense Departments. But the effort must be broadened through the government and especially the private sector. The goal should be a quick-reaction, public-private Civilian Reserve Corps consisting of people with expertise on matters like the establishment of telecommunications

facilities, rebuilding of electrical power plants, modernizing health care systems and instituting modern budgeting procedures.

Last, much attention has been paid to my concern about the need to retain adequate manpower to defeat the terrorists and insurgents. Our military leaders said they had sufficient forces to ensure law and order, and that additional soldiers might increase Iraqi hostility. Theirs was a respectable argument. But I disagreed with it. And while I had concerns about the quality of Iraqi forces two years ago, their training has since been revamped. Today they are playing an increasingly important role in defending Iraq.

Despite the missteps and setbacks, there is little question that, thanks to efforts by the American-led coalition, enormous political and economic progress is being made in Iraq today.

Two years ago, Al Qaeda's leader in Iraq, Abu Musab Zarqawi, told his followers there that there would be no place for them in a democratic Iraq. One year later, Iraqis voted in the country's first genuine elections. Then they wrote and approved a new Constitution. And last month 70 percent of voters turned out to elect a new Parliament. Now that body should modify the Constitution to address legitimate concerns of the Sunnis.

As for Iraq's economy, at liberation it was flat on its back: the World Bank estimated that in 2003 the economy contracted by 41 percent. Now Iraq benefits from an independent central bank, and a new currency whose stability is a remarkable indicator of confidence. The economy is open to foreign investment and commercial laws have been modernized. The International Monetary Fund reports that per-capita income has doubled in the last two years and predicts that Iraq's economy will grow 17 percent this year. No wonder registration of new businesses has jumped 67 percent in the last six months.

There is, of course, still much to be done. American troops and Iraqis continue to die battling criminal elements of the Saddam Hussein regime and Qaeda terrorists. President Bush has correctly identified Iraq as the central front in the war on terrorism, as Osama bin Laden himself acknowledged when he told his followers "the third world war has begun in Iraq" and that it would "end there in victory and glory, or misery and humiliation."

Despite these enormous stakes, some Americans have called for setting a timetable for our withdrawal or even pulling out now. This would be a historic mistake: a betrayal of the sacrifices Americans and Iraqis have made; a victory of the terrorists everywhere; and step toward a more dangerous world.

L. Paul Bremer III, the former director of the Coalition Provisional Authority, is the author of "My Year in Iraq: The Struggle to Build a Future of Hope."

ATTACHMENT 11

Los Angeles Times
latimes.com

http://www.latimes.com/news/opinion/commentary/la-oe-cordesman3jun03,1,5134048.story
From the Los Angeles Times

Give the Defense Department an F

A report to Congress on the state of Iraq is inaccurate and misleading. Americans deserve the truth.

By Anthony H. Cordesman

June 3, 2006

IF THE UNITED STATES is to win in Iraq, it needs an honest and objective picture of what is happening there. The media and outside experts can provide pieces of this picture, but only the U.S. government has the resources and access to information to offer a comprehensive overview.

But the quarterly report to Congress issued May 30 by the Department of Defense, "Measuring Stability and Security in Iraq," like the weekly reports the State Department issues on Iraq, is profoundly flawed. It does more than simply spin the situation to provide false assurances to lawmakers and the public. It makes basic analytical and statistical mistakes, fails to define key terms, provides undefined and unverifiable survey information and deals with key issues by omission. It deserves an overall grade of F.

The report provides a fundamentally false picture of the political situation in Iraq and of the difficulties ahead. It does not prepare Congress or the American people for the years of effort that will be needed even under "best-case" conditions nor for the risk of far more serious forms of civil conflict. Some of its political reporting is simply incompetent. For example, the report repeatedly states that 77% of the Iraqi population voted in the December 2005 election. Given that the CIA estimates that almost 40% of the population is 14 or younger, there is no conceivable way that 77% of the population could have voted. The report says 12.2 million voters turned out. The CIA estimates Iraq's population is 26.8 million. This means roughly 46% of the population voted.

The far more serious problem, however, is the spin the report puts on the entire Iraqi political process. Political participation surely rose. But that wasn't because of acceptance of the new government or an embrace of a democratic political process; it reflected a steady sharpening of sectarian divisions, as Sunnis tried to make up for their decision to boycott earlier elections.

The report touts a "true unity government with broad-based buy-in from major electoral lists and all of Iraq's communities." But its own data tell a different story. The one largely secular party won only 9% of parliament. The sectarian Shiite party, the United Iraqi Alliance, got 47%. The equally sectarian Sunni Iraqi Accordance Front got 16%, and the Kurdish Coalition got 19%. That hardly adds up to "unity."

The five-month delay in forming a government after the elections, the failure to appoint ministers of defense or interior and the fact that former Prime Minister Ibrahim Jafari

relinquished his post only after strong pressure from the United States and from Grand Ayatollah Ali Sistani are signs that progress is likely to be slow in the future as well. Sectarian conflict has become almost as serious a threat as the insurgency.

It is scarcely reassuring to be told by the Defense Department that the February attack on the Golden Mosque in Samarra marked a defeat for the insurgents and Islamic extremists because it did not instantly lead to all-out civil war. It is hard to think of a worse definition of victory.

THE ECONOMIC section of the report contains useful data and reflects some real progress in the Iraqi financial sector. However, its analysis is flawed to the point of being actively misleading. No meaningful assessment is provided of the successes and failures of the U.S. aid effort, and no mention is made of the massive corruption and mismanagement of U.S. aid discovered by the special inspector general for Iraqi reconstruction.

Nor is there meaningful analysis of oil developments, budget and revenue problems or future needs for aid. More than $30 billion in U.S. funds and nearly $35 billion in Iraqi money is involved, yet there is a serious risk that the Bush administration will do more than omit the inspector general's report. In fact, some State Department officials and Republicans in Congress are trying to put the inspector general out of business.

The report's handling of the key issue of Iraqi unemployment is symptomatic of the victory of spin over content. The report quotes vague national figures of 18% unemployment and states that other estimates range between 25% and 40%. By saying that unemployment and poverty "remain concerns" but that there are "substantial difficulties in measuring them accurately," it glosses over one of the most destabilizing aspects of Iraq. It ignores the failure of the aid program to create real jobs, especially for young men in areas of high crime and insurgency. Unemployment is not a casual macroeconomic factoid; it is central to bringing stability and security and to defeating the insurgency.

The Defense Department's reporting on the Iraqi police forces simply cannot be trusted. Death squads rampage in police uniforms, but there is only passing mention of staff problems, corruption, sectarian tensions or horrific prison abuses. There is no meaningful analysis of problems so severe that the U.S. has called for a "year of the police" and Iraq's new prime minister, Nouri Maliki, is considering reorganizing the entire force.

The United States is making real progress in some aspects of building the Iraqi regular military. Yet there is still a tendency to promise too much, too soon, to understate the risk and the threat, and to disguise the fact that the U.S. must be ready to support Iraq at least through 2008 and probably through 2010.

The U.S. cannot afford to repeat the mistakes it made in Vietnam. Among them was dangerous self-delusion. The strategy President Bush is pursuing in Iraq is high risk. If it is to have any chance of success, it will require bipartisan persistence and sustained American effort. This requires trust, and trust cannot be built without integrity. That means credible reporting.

The American people and Congress need an honest portrayal of what is happening, not half-truths by omission and spin.

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ATTACHMENT 12

MSNBC.com
Newsweek

What We Need to Get Right

If the new prime minister fails, Moqtada al-Sadr will become the most powerful man in Iraq.

By Fareed Zakaria
Newsweek

June 5, 2006 issue - I'm glad that the president has finally admitted to some mistakes in Iraq. But what worries me is that he still seems to be persisting in one important error. In his press conference last week, the only concrete plan he outlined to move forward—on a path out of Iraq—was a better-functioning Iraqi Army and police force. In this respect Bush is hardly alone. Many who criticize him on the right and left say that the training of Iraqi troops is happening too slowly, or that we need more American troops, or that we should flood the city of Baghdad with forces to stabilize it. But all of these solutions are technocratic and military, while the problem in Iraq is fundamentally political. Until we fully recognize this, doing more of the same will accomplish little.

Initially the Sunnis thought they could use military power—through the insurgency—to get their way. Now many Shia think they can use military power—through the government's security services and militias—to get *their* way. For our part, despite the denials, we believed that what we needed was more troops, Iraqi troops. Except that 260,000 Iraqi soldiers and police are "standing up" and it hasn't led to any significant withdrawal of Americans. The reality is that only an effective political bargain will bring about order. There needs to be a deal that gives all three communities strong incentives to cooperate rather than be spoilers.

While the United States can push hard in this direction, forging this bargain falls largely on the shoulders of the new prime minister, Nuri al-Maliki. I met Maliki a year ago in a small safe house in Baghdad, where he sat on a sofa across from me, fingering his prayer beads with practiced precision. He was then a Dawa Party official, with no position in the government. He is a big, strapping man and came across as straightforward and confident. He also came across as a hard-line Shia, unyielding in his religious views and extremely punitive toward the Sunnis. He did not strike me as a man who wanted national reconciliation in Iraq. But many Iraqi and U.S. officials who have spoken to him since he became prime minister believe that he understands his new role. If so, he will have to tackle very quickly the two big political challenges Iraq faces, weakening the insurgency and disbanding sectarian militias. Neither can be done purely militarily.

Co-opting the majority of the Sunnis is the simplest way Maliki can cripple the insurgency. So far he has said some encouraging things about national unity. On the other hand, he has given Sunnis only 11 percent of cabinet posts, though they are 20 percent of the country. Tariq al-Hashimi, the new Sunni vice president, complains that when he details violence by death squads, Iraq's leaders remain highly unresponsive. "Even if you have complete evidence, they are not open-minded. It's really phenomenal," he says.

Maliki will have to stake out national positions on the proposed amendments to the Constitution, the sharing of oil revenue and other such matters. But even sooner he will have to address the core Sunni demand—an end to the de-Baathification process, which has thrown tens of thousands of Sunnis out of jobs and barred them from new ones. Iraq's deputy prime minister, Barham Saleh, a Kurd, told me that "the time has come for us to be courageous enough to admit that there were massive mistakes in de-Baathification." The American ambassador to Iraq, Zalmay Khalilzad, argued similarly, saying "de-Baathification has to evolve into reconciliation with accountability." Khalilzad added that Prime Minister Maliki supported the notion that de-Baathification "has to focus on individuals who are charged with specific crimes, not whole classes and groups of people." If so, it would mark a major and positive shift in policy.

Maliki's second challenge is with his own. The Shia militias now run rampant throughout non-Kurdish Iraq. Khalilzad believes that they will have to be largely disbanded—"perhaps 5 percent of them can be integrated into the national Army and security services, but most have to be given civilian jobs." The greatest challenge here comes from the large and growing Mahdi Army of Moqtada al-Sadr. This renegade cleric is mounting a frontal challenge to the United States and to the authority of the new Iraqi government (even while he takes charge of some of its ministries). He is popular on the Shia Street, and his gangs run unchecked through the country and dominate large parts of Baghdad. He receives money and support from Iran, which has recognized that Sadr supports its agenda in Iraq—to make trouble for the Americans.

Maliki will have to handle Sadr politically as well as militarily, enlisting Ayatollah Sistani's help. If Maliki cannot handle him, Moqtada al-Sadr will become the most powerful man in Iraq. And Nuri al-Maliki will not be the first elected prime minister of a new Iraq, but the last prime minister of an experiment that failed. Iraq will continue down its slide into violence, ethnic cleansing and Balkanization. In places like Baghdad, with mixed populations, this will mean the city will be carved up into warring neighborhoods, with gangs providing a mafia-style system of law and order, and constant guerrilla attacks. It will be Lebanon in the 1980s, except that 130,000 American troops will be in the middle of it all.

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URL: http://www.msnbc.msn.com/id/13006797/site/newsweek/

ATTACHMENT 13

washingtonpost.com

Amnesty for Insurgents? Yes.

By Charles Krauthammer
Friday, June 30, 2006; A27

We had two political objectives in going into Iraq: deposing Saddam Hussein and replacing his regime with a democratic government unthreatening to the region and strategically friendly to the United States. The first objective proved far more easy to achieve than anticipated. The second has proved far more difficult than anticipated.

The most serious misconception had nothing to do with troop levels or whether to disband an army that had already disbanded itself. It had to do with gauging Sunni intentions. Decades of iron rule over the Shiites and Kurds had left the Sunnis militantly unreconciled to any other political order.

Moreover, the melting away of the Baathist regime from Baghdad gave the Sunni resistance weaponry, discipline and organizational know-how of a high order -- far higher, for example, than the Shiites and Kurds were able to muster a decade earlier when they rose up against Hussein's regime, only to be crushed.

Perhaps the current Sunni insurgency could have been defeated by an overwhelming display of American force with a huge number of troops and a scorched-earth counterinsurgency. But that could well have resulted in a Pyrrhic and very temporary victory, increasing Sunni bitterness and resistance that would inevitably return as we drew down our forces. After all, we were never going to keep a huge land army in the desert forever.

For better or worse, we chose occupation lite. The insurgency continues, and it is not going to be defeated militarily. But that does not mean we lose. Insurgencies can be undone by being co-opted. And that is precisely the strategy of Prime Minister Nouri al-Maliki. Given that his life is literally on the line in making such judgments, one should give his view some weight.

He intends to wean away elements of the insurgency by giving them a stake in the new Iraqi order. These Sunni elements -- unreconciled tribal leaders and guerrilla factions -- may well decide that with neither side having very good prospects of complete victory, accepting a place and some power in the new Iraq is a better alternative than perpetual war.

The Bush administration is firmly behind this policy. And who is sniping at it from the sidelines? Democratic senators, fresh from having voted for troop withdrawal rather than victory as our objective in Iraq, led the charge to denounce any sort of amnesty for insurgents who had killed Americans.

Apart from the hypocrisy, there is the bizarre logic: Is the best way to honor the sacrifice of those who have died in Iraq to decree an impotent, completely hypothetical policy of retribution? (Who, after all, is going to bell the cat?) Or is it to create conditions for precisely

the kind of Iraq -- self-governing and internally reconciled -- that these courageous soldiers were fighting for?

Our objective in any war is not revenge but success. Confederate soldiers who swore allegiance to the United States were pardoned after the Civil War, even those who had killed Union soldiers. We gave amnesty to legions of Japanese and Germans who'd killed thousands of Americans in World War II.

And those amnesties were granted after total victory. In conflicts in which there is no unconditional surrender -- civil strife that ends far more ambiguously, as in El Salvador and Chile, for example -- amnesty and reconciliation are the essential elements for the establishment of a stable, democratic peace.

In Iraq, amnesty will necessarily be part of any co-optation strategy in which insurgents lay down their arms. And it would not apply to the foreign jihadists, who, unlike the Sunni insurgents who would join the new Iraq, dream of an Islamic state built on the ruins of the current order. There is nothing to discuss with such people. The only way to defeat them is to kill them, as we did Abu Musab al-Zarqawi.

But killing them requires depriving them of their sanctuary. Reconciliation-cum-amnesty gets disaffected Iraqi Sunni tribes to come over to the government's side, drying up the sea in which the jihadists swim. After all, we found Zarqawi in heavily Sunni territory by means of intelligence given to us by local Iraqis.

Protests in America over the amnesty suggestion have caused both the administration and the Maliki government to backtrack. But don't believe it. Amnesty will be an essential element in any reconciliation policy. Which, in turn, is the only route to victory -- defined today just as it was on the first day of the war: leaving behind a self-sustaining post-Hussein government, both democratic and friendly to our interests. It is attainable. The posturing over amnesty can only make it more difficult.

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